

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Company Name and NAIC Number: Union Security Insurance Company, 70408

SERFF Tracking Number: MULF-131989593

Revised Rates

Average Annual Premium Per Member: \$2,932

Average Requested Percentage Rate Change Per Member: 42.3%

Range of Requested Rate Changes: 42.3% to 42.3%

Number of Virginia Policyholders Affected: 1,466

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
6060-VA	Facility Only	July 1998 - December 2002	18% - 10/15/2008 45.3% - 8/15/2013	The requested premium rate schedule is based on assumptions developed from our 2016 experience study. Due to the capped approval, additional rate increases will be necessary to achieve the full actuarially justified one-time request based on the Lifetime Loss Ratio and the assumptions developed from our 2016 experience study. We recently completed another experience study in 2019 which shows the need for additional rate increases. We will be addressing the need for both the remainder from this filing as well as the additional rate increases based upon the 2019 experience study in a future filing.
6062-VA	Comprehensive TQ	June 1998 - September 2002	18% - 10/15/2008 45.3% - 8/15/2013	
6063-VA	Comprehensive Enhanced TQ	May 1998 - March 2003	18% - 10/15/2008 45.3% - 8/15/2013	
6072-VA	Comprehensive NTQ	June 1998 - June 1999	18% - 10/15/2008 45.3% - 8/15/2013	
6073-VA	Comprehensive Enhanced NTQ	September 1998- October 1999	18% - 10/15/2008 45.3% - 8/15/2013	

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.
(Rev. 06/19)

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors, including but not limited to particular medical conditions, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary. John Hancock requested and implemented rate increases on Union Security Insurance Company's long-term care policies in 2008, 2010, and 2013.

Increases will vary by issue age, inflation, benefit period, policy series, and state. The filing will vary by state based on the amount and timing of prior increases that we were permitted to implement in that state. In this way, policyholders are not subsidizing policyholders in other states.

In Virginia, on our Union Security Insurance Company block of business, we are requesting a rate increase of 42.3% for all impacted Virginia policyholders. This includes the 6060s policy forms.

No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. John Hancock's decision to increase premiums on certain policies is based upon the future claims anticipated on these policies.

There will be a number of benefit adjustment options to help keep premiums at or close to their current level. For example, policyholders will have the option of electing the new, actuarially equivalent Shared Cost option. Customers can also reduce their benefit period, adjust their daily/monthly benefit amount, extend their elimination period, or drop riders from their coverage.

After the rate increase is accepted by the Virginia Insurance Department, affected policyholders will be provided with an extensive and personalized notification communication at least 90 days prior to the effective date of their rate increase, which will describe the increase and options available to help mitigate the impact of the rate increase. In addition, customer support will be available through a dedicated customer service team in order to help our policyholders navigate through their choices and respond to any questions.